



Financial Services Authority (OJK) & Banking Regulations Update

The Summary of the New Financial Services Authority (OJK) & Banking Regulations

The following is a list of the new Financial Services Authority (OJK) & banking regulations. All regulations are available in Indonesian.

New Financial Services Authority (OJK) Regulations

1. Regulation: 15/POJK.05/2019 ([Click here 15/POJK.04/2019](#))
Date : 27 May 2019
Regarding : Tata kelola dana pensiun.
(*Pension fund governance*)

Summary:

According to this regulation, pension funds are required to implement the principles and own the guideline of pension funds governance. The guideline is prepared by the management of Employer Pension Funds (DPPK) and is determined by the founder. In addition, pension funds should form the function of internal audit, risk management, and compliance. The implementation of these guidelines, at least, is manifested in several components, namely: Firstly, implementation of duties and responsibilities of the board, executives' board, supervisory board, and sharia supervisory board. It also includes the implementation of duties

and functions of internal control for pension funds, implementation of the compliance function, internal audit and external audit. Secondly, there is the implementation of risk management, including internal control systems and the implementation of information technology governance. There are also the implementation of remuneration policies, pension funds business plan, transparency of pension funds financial and non-financial conditions. The principles of good governance shall be implemented by pension funds while founders and partners are obliged to support the implementation. Finally, at the end of each financial year, pension funds are required to arrange and submit report regarding the implementation pension funds governance to Financial Services Authority.

2. Regulation: 10/SEOJK.03/2019 ([Click here 10/SEOJK.03/2019](#))
Date : 21 June 2019
Regarding : Penerapan manajemen risiko bagi bank pembiayaan rakyat syariah.
(*Application of risk management for sharia smallholder financing banks*)

Summary:

Circular Letter of Financial Services Authority Number 10/SEOJK.03/2019 regulates the provisions to implement Financial Services Authority Regulation Number 23/POJK.03/2018 regarding Application of Risk Management for Sharia Smallholder Financing Banks. This circular letter is intended to provide the minimum standard in implementing Risk Management for Sharia Smallholder Financing Banks including policymaking and guideline for implementing Risk Management for Sharia Smallholder Credit Banks. There are also provisions regarding Inherent Risk Assessment for each risk category, provisions in assessing and determining the quality in implementing risk management, determining the level for each risk category, and other general provisions.

3. Regulation: 9/SEOJK.03/2019 ([Click here 9/SEOJK.03/2019](#))
Date : 21 June 2019
Regarding : Penilaian kembali bagi pihak utama bank.
(*Revaluation for principals of banks*)

Summary:

Circular Letter of Financial Services Authority Number 9/SEOJK.03/2019 regarding Revaluation for Principals of Banks regulates the implementation of Financial Services Authority Regulation Number 34/POJK.03/2019 regarding Revaluation for Principals of Financial Service Institutions which applies to the banking sector including commercial banks and smallholder credit banks, both of which running the conventional activities or sharia activities. This circulation letter covers the general provisions, the principals of the banks that will be revaluated, scope of the revaluation, revaluation procedures, and consequences of the revaluation final result. It also includes procedures to request for revaluation review, submission address, and provisions for transition.

4. Regulation: 8/SEOJK.03/2019 ([Click here 8/SEOJK.03/2019](#))
Date : 21 June 2019
Regarding : Laporan bulanan bank perkreditan rakyat.
(*Monthly reports of smallholder credit banks*)

Summary:

Circular Letter of Financial Services Authority Number 8/SEOJK.03/2019 regarding Smallholder Credit Banks Monthly Report contains instructions to implement Financial Services Authority Regulation Number 13/POJK.03/2019 regarding Reporting Smallholder Credit Banks

and Sharia Smallholder Financing Banks through Financial Services Authority Reporting System. This circular letter covers the general provisions, format and procedures to arrange Smallholder Credit Banks Monthly Report, requirements to arrange and to submit the monthly report and/or its revisions, and provisions regarding sanctions while in transitional period along with the examples. The format and procedures in arranging Smallholder Credit Banks Monthly Report refer to the guideline included in this regulation.

New Banking Regulation

1. Regulation: 21/8/PBI/2019 ([Click here 21/8/PBI/2019](#))
Date : 24 May 2019
Regarding : Perubahan ketiga atas Peraturan Bank Indonesia Nomor 17/9/PBI/2015 tentang penyelenggaraan transfer dana dan kliring berjadwal oleh Bank Indonesia.
(Third amendment of Bank Indonesia Regulation number 17/9/PBI/2015 concerning the administration of scheduled fund transfer and clearing by Bank Indonesia)

Summary:

The changes in this regulation are made to complement provisions regarding deadline for sending and forwarding funds in Funds Transfer Service and Regular Payment Service. The deadline for forwarding funds for Funds Transfer Service and Regular Payment Service is excluded for transactions that contain names or account numbers that are different from customer account information managed by the Bank. To ensure Participant's compliance, other than the deadline for sending and forwarding funds in Funds Transfer Service and Regular Payment Service in PBI, the regulation also regulates sanctions for Participants who violate the provisions with sanctions as follows: for Funds Transfer Service there is no change in sanctions, Participants will be sanctioned to financial penalty each amounting to Rp100,000 (one hundred thousand rupiahs) per transaction, a maximum of Rp10,000,000 (ten million rupiahs) per monitoring period, for every violation of the deadline in sending EFD Funds Transfer and/or forwarding funds; and for Regular Payment Service, Participants are sanctioned to a financial penalty of Rp100,000 (one hundred thousand rupiahs) per transaction detail, a maximum of Rp10,000,000 (ten million rupiahs) per monitoring period, for each violation of the deadline for EFD Payment and/or forwarding funds.

2. Regulation: 21/7/PBI/2019 ([Click here 21/7/PBI/2019](#))
Date : 17 May 2019
Regarding : Perubahan atas Peraturan Bank Indonesia No 20/10/PBI/2018 transaksi domestik non-Deliverable Forward.
(Amendment of Bank Indonesia Regulation number 20/10/PBI/2018 concerning domestic non-deliverable forward transactions)

Summary:

The changes in this regulation are made as an effort to create an active and efficient DNDF market, and to increase DNDF supply on the foreign exchange market. Changes to arrangements in this PADG including; all Domestic Non-Deliverable Forward Transactions (DNDF) should have the Underlying Transactions. Underlying Transactions including the Trade in Goods and Services as well as domestic and international investments and their exceptions. Liability for the ownership of Underlying Transactions is excluded for transactions of foreign exchange sell against rupiah through DNDF transactions by Customers or Foreign Parties with a maximum nominal of USD 5,000,000.00 (five million United States dollars) or its equivalent per transaction for each Customer or any Foreign Party. DNDF transaction can be terminated (unwind). Termination of transaction (unwind) can be done without Underlying Transactions.

Underlying Transactions for the purchase of foreign exchange against rupiah shall be proven by final Underlying Transactions documents and supporting documents. Underlying Transactions for the foreign exchange sell against rupiah are proven by final Underlying Transactions documents and supporting documents or proven by forecast Underlying Transactions documents and supporting documents. Banks are required to ensure Customers and/or Foreign Parties to submit Underlying Transactions documents. Finally, Banks are obliged to ensure the authenticity and fairness of the documents for Underlying Transactions of foreign exchange against Rupiah.

3. Regulation: 21/14/PADG/2019 ([Click here 21/14/PADG/2019](#))

Date : 26 June 2019

Regarding : Perubahan Kedua Atas Peraturan Anggota Dewan Gubernur Nomor 20/10/PADG/2018 Tentang Giro Wajib Minimum Dalam Rupiah Dan Valuta Asing Bagi Bank Umum Konvensional, Bank Umum Syariah, Dan Unit Usaha Syariah.

(Second amendment of Bank Indonesia Regulation number 20/10/PADG/2018 concerning Statutory reserve in rupiah and foreign currency for conventional commercial banks, sharia commercial banks, and sharia business units)

Summary:

The changes in this regulation are done as an effort to increase the availability of banking liquidity in economic financing. Bank Indonesia reduced the Rupiah Statutory Reserve (GWM) for Conventional Commercial Banks (BUK) and Sharia Commercial Banks (BUS)/Sharia Business Units (UUS) by 50 bps; therefore, it becomes 6.0% for BUK and 4.5% for BUS/UUS. The average GWM for each of them is still at 3.0% and will be in force starting 1 July 2019. Changes to the regulations in this regulation including: Decreasing GWM in rupiah for Conventional Commercial Banks from 6.5% to 6%, with the fulfilment of the daily Statutory Reserve which was originally 3.5% to 3% and the average GWM portion still at 3%. Adjustment of GWM in rupiah for Sharia Commercial Banks/Sharia Business Unit which was originally 5% to 4.5%, with the fulfilment of the daily Statutory Reserve which was originally 2% to 1.5% and the average GWM Portion at 3%. For other provisions, which include procedures for fulfilling GWM and sanctions, there are no changes.

4. Regulation: 21/13/PADG/2019 ([Click here 21/13/PADG/2019](#))

Date : 31 May 2019

Regarding : Transaksi derivatif suku bunga rupiah berupa transaksi interest rate swap.

(Derivative transactions with rupiah interest rate in the form of interest rate swap transactions)

Summary:

In order to make a liquid and efficient financial market, it is necessary to develop a derivative market that can protect the value and control the risk of assets and liabilities for the movement of market interest rates. One of the derivative transactions with rupiah interest rate that has been actively traded in the Indonesian financial market is an interest rate swap (IRS) transaction. This regulation regulates the following matters; banks can conduct IRS transactions with Customers who meet certain classifications, Foreign Parties and/or other Banks. The IRS transaction contract is managed by the bank. Banks are required to follow market conventions in conducting IRS transactions that include the decimal number of interest rates, the number of days in a year, and the mechanism of interest payments at maturity. The IRS transaction value is at least Rp1,000,000,000 (one billion rupiah), with the tenor of 1 (one) week, 1 (one) month, 3 (three) months, 6 (six) months, 9 (nine) months, 12 (twelve) months, or other tenors. The obligation of the Bank is to analyse the needs of IRS transactions

at least 1 (one) time before conducting a transaction and support them with relevant documents, and will be evaluated at least 1 (one) year along with its exceptions. IRS transaction settlement is conducted by transferring funds in whole or transferring funds by considering the difference in payment obligations (netting) from the cash flow of the interest rates exchanged. Settlement of transactions in the event of default is conducted in closeout netting, with several conditions. IRS transactions must be done by applying the precautionary principles in the form of transaction ethics, transparency and information disclosure, consumer protection, and mechanism of dispute resolution. Finally, this regulation regulates provisions regarding sanctions.

5. Regulation: 21/12/PADG/2019 ([Click here 21/12/PADG/2019](#))

Date : 31 May 2019

Regarding : Penyelenggaraan transfer dana dan kliring berjadwal oleh Bank Indonesia
(*Administration of scheduled fund transfer and clearing by Bank Indonesia*)

Summary:

This regulation is issued to improve Funds Transfer Service and Regular Payment Service for scheduled fund transfers and clearing by Bank Indonesia through the addition of Fund Settlement; and adjustment of transaction cost using SKNBI both from the Operator to Participants and from Participants to customers. This regulation improves the following matters; Settlement Period for 9 times in 1 day for Funds Transfer Service and Regular Payment Service, namely on 08.00, 09.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.45. The SKNBI Fee charged by BI to Participants is Rp600,- per DKE. SKNBI fees charged by the Participant to the Customer are a maximum of Rp3,500.00.

6. Regulation: 21/11/PADG/2019 ([Click here 21/11/PADG/2019](#))

Date : 31 May 2019

Regarding : Batas nilai nominal maksimal transaksi melalui Sistem Bank Indonesia-Real Time Gross Settlement dan Sistem Kliring Nasional Bank Indonesia.
(*Limit of maximum nominal value of transactions through Bank Indonesia-Real Time Gross Settlement System and Bank Indonesia National Clearing System*)

Summary:

The regulation is issued to improve Funds Transfer Service and Regular Payment Service for scheduled fund transfers and clearing services by Bank Indonesia through adjusting the maximum nominal value of transactions that can be processed by SKNBI. This regulation improves the following matters; maximum capping of transactions is Rp 1 billion for fund transfer service and a maximum of Rp 1 billion for regular payment service.

7. Regulation: 21/10/PADG/2019 ([Click here 21/10/PADG/2019](#))

Date : 24 May 2019

Regarding : Standar Layanan dalam Pelaksanaan Transfer Dana dan Kliring Berjadwal melalui Sistem Kliring Nasional Bank Indonesia.
(*Service standard for the implementation of scheduled fund transfer and clearing through Bank Indonesia National Clearing System*)

Summary:

This regulation is issued to improve Funds Transfer Service and Regular Payment Service for scheduled fund transfers and clearing by Bank Indonesia through service standard for Participants in conducting transaction adjustment process. This regulation improves the following matters; in terms of Service Level Agreement (SLA) for funds transfer service, the

sending process of EFD Funds Transfer Service shall be conducted at least 1 (one) hour since the Participant receives the funds transfer order. Whereas for the forwarding funds to the Recipient Customer, it shall be conducted no later than 1 (one) hour after settlement. In terms of Service Level Agreement (SLA) for regular payment service, the sending process of EFD Payment must be made no later than 1 (one) hour after the Participant receives the order to transfer funds. On the other hand, for forwarding funds to the Recipient Customer, it shall be done no later than 1 (one) hour after settlement.

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